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Chairman: Mr. Effah-Apenteng ..... (Ghana)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 3.05 p.m.

Agenda item 123: Proposed programme budget for the biennium 2002-2003 (*continued*) (A/56/6 and Corr.1, A/56/7 and A/56/16)

1. **Mr. Volkov** (Russian Federation) said that the discussion of the proposed programme budget for the biennium 2002-2003 (A/56/6 and Corr.1) was taking place in unusual circumstances: never had the tasks of finding a collective response to the challenges of the new era, first and foremost terrorism, and strengthening international security been more urgent. His delegation believed, in that connection, that there was a need to enhance the role of the United Nations as an indispensable tool for maintaining international peace and security and to mobilize its unique potential to counteract new and unprecedented threats. In order to carry out that multifaceted task, the United Nations must continuously strengthen its operational capabilities and improve its executive mechanisms.

2. He noted with satisfaction that the proposed programme budget had been prepared within the framework of the medium-term plan for the period 2002-2005 and addressed the priorities identified by the General Assembly. His delegation supported the measures taken by the Secretary-General to redistribute the Organization's limited resources in view of the new priorities, to rationalize United Nations expenditure and to increase the efficiency of Secretariat structures. It agreed that the changes taking place in the United Nations made it possible to do more work with fewer resources. Indeed, with an improved management culture and strict financial discipline, and taking into account the sizeable investments in the development of information technologies, management systems and staff training, it should be entirely possible to maintain the existing level of budgetary expenditure.

3. The Committee would discuss a number of important proposals for expenditure on new priority programmes and activities that were not included in the proposed programme budget. It must also take into account the forthcoming recosting of the budget, which could have a significant impact on its general parameters. The resources necessary to cover the additional expenditure could be obtained from savings in such areas as administration, common services, travel and expenditure on consultants, as well as from additional savings due to investment in information technologies. The related report of the Advisory Committee on Administrative and Budgetary Questions (A/56/7) also highlighted a number of areas in which the work of the Secretariat could be rationalized and its working methods improved.

4. His delegation shared the Advisory Committee's concern about the swelling of the upper section of the staffing table and agreed that there was a need to fight grade creep. That problem should be addressed by increased staff mobility and the redeployment of human resources. In addition, radical reform of the system of contracts would open the door to the United Nations for young professionals whom the Organization needed in order to address the new, complex challenges it faced.

5. The most important task in preparing the programme budget was to identify obsolete and inefficient programmes and activities with a view to lowering expenditures so as to release resources for priority projects. The new format of the programme budget, which placed greater emphasis on evaluating the practical results of the Organization's work, could and should facilitate the redistribution of resources and the search for savings without detriment to the approved priorities. He was pleased to note that the modified presentation of the programme budget strengthened the linkage with the medium-term plan and was meant to bring about a shift from an exclusively quantitative focus on resources to a more qualitative focus on expected accomplishments and the effectiveness of the Organization's activities. The new format should also ensure the maximum output from the resources invested in programmes and projects, provide for the more effective implementation of the mandates approved by Member States and ensure stricter control over the use of the Organization's limited resources. Overall, the programme budget, like the medium-term plan, should be aimed at consolidating the efforts of Member States and focusing United Nations activities on the challenges facing the international community.

6. The Russian Federation's own budget policy for 2002 had been developed on the basis of the priorities for the country's social and economic development in the medium term. His Government aimed to enhance the role of the budget as a tool of economic policy and as the financial basis of structural reforms and to improve the management of the State's assets and liabilities. The budget policy had enabled the Russian

Federation to overcome the consequences of the August 1998 crisis, to restore investors' confidence in State securities and to achieve a 5.5 per cent growth in industrial output and a 1.2 per cent growth in gross domestic product.

7. **Ms. Critchlow** (Guyana) said that her delegation wished to associate itself with the statements made by the representative of the Islamic Republic of Iran on behalf of the Group of 77 and China. The proposed programme budget for the biennium 2002-2003 was of particular importance since it came at a time when great demands were being made on the resources of the Organization, even as it strived to achieve the targets set in the Millennium Declaration. The projections regarding the financial situation of the United Nations were optimistic, but, all Member States must pay their assessed contributions in full, on time and without conditions if the Organization was to build on that momentum.

8. The resources of the United Nations should be commensurate with its mandates, and there should not be any ceiling on its budget. Over-reliance on extrabudgetary resources should be avoided for it was the responsibility of Member States to provide the resources necessary for the Organization's programmes and activities in accordance with Article 17 of the Charter.

9. Noting with concern that some sections of the proposed programme budget diverged from the medium-term plan, she emphasized that the latter document was the principal policy directive of the Organization and, as such, should form the basis for the development of the programme budget. The reasons for such non-compliance should be identified and remedial measures proposed. She also wished to reaffirm that the Fifth Committee had been mandated to address all administrative and budgetary matters and noted, in that connection, that the use of the phrase "within existing resources" in resolutions adopted by subsidiary bodies, the Economic and Social Council and the Main Committees of the General Assembly contravened resolution 41/213.

10. The world was increasingly being divided into haves and have-nots. The United Nations, as a universal organization, ought to ensure that that trend was reversed. It was therefore essential that adequate resources should be made available for all sections relating to economic and social development with a view to ensuring, in particular, the full participation of small island developing States in the global economy and the international trading system.

11. **Mr. Sharma** (India) said that his delegation wished to associate itself with the statement made by the representative of the Islamic Republic of Iran on behalf of the Group of 77 and China. The new format of the proposed programme budget and the clarity of the introduction were most welcome. However, the number of reclassifications proposed was a cause for concern. Like previous speakers, he wished to stress the importance of the medium-term plan as the principal policy directive of the Organization and the continued significance of Article 17 of the Charter and to reaffirm the validity of the provisions of General Assembly resolutions 41/213 and 42/211. He also agreed that the resources of the United Nations should be commensurate with its mandates; that there should be no artificial ceiling on the budget; that the Organization should avoid over-reliance on extrabudgetary resources; and that there was a need for balance in gender mainstreaming.

12. Given the improved financial situation of the United Nations, his delegation looked forward to the reimbursement of the $90 million owed to India in peacekeeping arrears. It had taken note, however, of the large amounts still owed to the Organization by the major contributors and the continuing negative cash balance, and called on Member States to work with greater resolve to restore financial flexibility to the United Nations.

13. While the Secretary-General had proposed small but important increases in certain priority areas, additional resources in an amount of between $50 million and $155 million would be required following recosting. Moreover, the Organization could not expect to continue to make savings based on the relative value of the United States dollar vis-à-vis the other currencies. Taking into account the additional expenditure required for implementing the recommendations of the Panel on United Nations Peace Operations, enhanced security and safety measures and any other mandates that might be approved, a zero-nominal-growth budget appeared impracticable. His delegation believed that the additional resources required for the aforementioned activities could easily be built into the budget, given the relatively small figures involved, and that most members of the Committee could agree that the recosting estimates,

which resulted from exchange rate fluctuations and inflationary trends, did not constitute an actual increase in the budget.

14. Following the strengthening of peacekeeping through the provision of significant additional resources to the Department of Peacekeeping Operations, the General Assembly should focus on strengthening the departments working in the economic and social sectors, where the biggest challenges to the international community lay.

15. He noted that of the $2.5 billion requested in the proposed programme budget, $2 billion would go towards staff costs, leaving just $500 million for implementing mandated programmes and activities over the next two years. The Secretary-General must be provided with the resources necessary to carry out the mandates given to him. The Secretariat could do more with less, but only up to a point, and further budgetary constraints would seriously compromise its ability to deliver services.

16. With respect to the Secretary-General's proposal regarding "sunset provisions" as a means of facilitating the strategic redeployment of resources, his delegation believed that the General Assembly should continuously assess the cost-effectiveness of United Nations programmes and activities. Those suspected of being a drain on the Organization's resources should be funded only after they had been subjected to ruthless scrutiny; such scrutiny was permitted under the existing Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation. For example, the Office of Internal Oversight Services (OIOS) could undertake a preliminary study of such programmes or activities. OIOS was the entity best equipped to do that; with a budget of $19 million, it had already exposed waste and fraud totalling some $200 million. It should be provided with the modest additional support requested for the next biennium.

17. **Mr. Elgammal** (Egypt) said that his delegation supported the statement made by the representative of the Islamic Republic of Iran on behalf of the Group of 77 and China at the Committee's 9th meeting. It welcomed the Secretary-General's administrative and financial reform efforts and the use of results-based budgeting techniques to prepare the proposed programme budget, pursuant to General Assembly resolution 55/231. The new format would make it easier for Member States to evaluate programmes and measure the Secretariat's performance.

18. The medium-term plan, as the principal policy directive of the United Nations, must form the basis for the programme budget, and the priorities it contained should govern the allocation of budgetary resources. More resources should be allocated to the budget sections relating to economic and social development so that the United Nations could face the challenges of globalization. The proposed overall level of $2,519 million did not include the costs of staff security, the comprehensive review of peace operations or the report on the Organization's international radio broadcasting capacity to be submitted by the Committee on Information. The Secretariat should expedite the preparation of those reports and their programme budget implications so that the Advisory Committee and the Fifth Committee could take speedy decisions on them.

19. The Department of Public Information had an important role to play in the current critical situation, and should therefore be given enough resources to provide public information on all United Nations activities. Since that information must reach all population sectors, continued efforts should be made to enhance the traditional means available to the Department, such as radio broadcasting, as well as more advanced means of communication.

20. His delegation agreed with the Advisory Committee that the Fifth Committee should approve the proposed level of funding for section 10 (Africa: New Agenda for Development), which would replace all current initiatives in that area. It also supported the work of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), which must be provided with the financial and human resources it needed to carry out all its mandated activities, despite the difficulties caused by the current situation in the region.

21. His delegation opposed the imposition of any artificial ceiling on the budget, since that would jeopardize the Organization's ability to implement all mandated programmes and activities. Information and communication technologies could enhance the Organization's efficiency and productivity and could help it to achieve savings in a number of areas, such as travel. Information technology was an indispensable

managerial tool for OIOS, and the regular budget should make provision for it, particularly in view of the valuable work done by OIOS in detecting fraud and mismanagement and prompting financial and administrative reform.

22. The recent unfortunate incidents in New York City had highlighted the problem of international terrorism. Section 14 (Crime prevention and criminal justice) should be reviewed with a view to enhancing the Organization's efforts to combat terrorism. Lastly, the Fifth Committee should bear in mind the Secretary-General's warning that further budgetary constraints would seriously compromise the Organization's ability to deliver the services expected of it.

23. **Mr. Manalo** (Philippines), speaking on behalf of the Association of South-East Asian Nations (ASEAN), said that the States members of ASEAN associated themselves with the statement made on behalf of the Group of 77 and China at the Committee's 9th meeting. ASEAN had always supported measures to improve the efficiency and cost-effectiveness of United Nations operations. It was concerned about the continual demands on the Organization to do more with less, and noted that the level of the proposed programme budget for the biennium 2002-2003 represented a very modest increase over the level of the budget for the current biennium. It sought assurances that the proposed resource level would be sufficient to implement fully and effectively all mandated programmes and activities for the coming biennium. Any imposition of an artificial ceiling on the budget would undermine the Organization's ability to respond promptly and effectively to new demands.

24. With respect to the requests for reclassifications and for new posts at senior levels included in the proposed programme budget, ASEAN shared the Advisory Committee's view that reclassifications must be justified by changes in the nature, scope or volume of the work involved. The processes governing recruitment and promotion must not be circumvented through the reclassification of posts.

25. **Mr. Oo** (Myanmar) said that his delegation associated itself with the statements made on behalf of ASEAN and the Group of 77 and China. It noted that the new format of the proposed programme budget reflected results-based budgeting techniques, as called for in General Assembly resolution 55/231. All budget proposals must be in conformity with the medium-term plan.

26. He was encouraged to note that the initial estimate for the programme budget for the biennium 2002-2003 represented less than zero real growth over the budget level for 2000-2001. While budgetary discipline was necessary, it should be achieved through enhanced efficiency and the elimination of waste, and should not put a constraint on the Organization's efforts to carry out its mandates successfully. Adequate resources must be provided for areas of vital importance to developing countries, such as the environment, economic development, humanitarian assistance and the development of Africa.

27. The Organization's success depended largely on the prompt and unconditional payment by Member States of their assessed contributions. All Members must honour fully their legal and contractual obligations under the Charter. He was heartened to note that the Organization's overall financial situation had improved for the first time in many years owing to the decline in unpaid assessments. As the Member States demanded more services from the Organization, they must provide it with adequate resources to carry out those mandates.

28. **Mr. Agyeman** (Ghana) said that his delegation fully associated itself with the statement made on behalf of the Group of 77 and China at the Committee's 9th meeting, particularly with respect to the budget process and the substance of the proposed programme budget for the biennium 2002-2003. The budget proposals before the Committee reflected the best practices of the Organization in operating on a static budget for the past six years through prudent management of available resources, even in the face of increasing mandates and the debilitating effects of global economic conditions. The strains on the budget were, however, obvious.

29. Budgetary constraints in the implementation of established programmes and mandates, such as those arising from the medium-term plan and the Millennium Declaration, must not be imposed at the cost of effectiveness. Efforts in that direction should be closely and realistically aligned with the collective demands made on the United Nations. Dedicated resources were required to fund the Organization's numerous mandates. While the establishment of priorities and the reallocation of resources could provide adequate

funding in some areas, increased resources would be required in other areas. Cost-saving measures and efficiency gains could not be further stretched without an adverse impact on the quality of services. While modest and realistic increases in the budget estimates were necessary, all such increases must be justified and must reflect a prudent allocation of resources.

30. Two issues that had not yet been fully factored into the budget estimates were the implementation of the second phase of peacekeeping reform and the Secretariat's plan of action on information technology. The comments which his delegation had made on information technology during the Committee's consideration of the programme budget for the biennium 2000-2001 were still valid.

31. His delegation noted the Advisory Committee's analysis of staff costs, and shared the concerns of the Group of 77 and China and a number of other delegations in that regard, particularly with respect to the number of upward reclassifications and new posts at senior levels. Ample justification for those proposals must be provided and staff deployment must be further rationalized on the basis of the priorities set for the Organization. His delegation was also concerned about the proposed increase in the extrabudgetary funding of core mandates and about the overall level of such funding in comparison to that of the regular budget. Core mandates were the collective responsibility of the Member States and should therefore be funded from the regular budget, even if that practice resulted in budget increases. Adequate resources must be provided to implement the policy of international cooperation for development, particularly in relation to section 10 (Africa: New Agenda for Development).

32. His delegation welcomed the results-based format of the proposed programme budget. That format could lend objectivity and focus to policy directions, guard against arbitrariness and lead to an improvement in the achievement of objectives as measured by the indicators of achievement. Member States should promote the success of the budget reforms by collectively meeting their responsibilities in the areas of approval and accountability.

The meeting rose at 3.55 p.m.